

# **Office of Business Development 2006 Report to Congress**

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**This is the report on the U.S. Small Business Administration's (SBA) 8(a) Business Development Program as required by the Business Opportunity Development Reform Act of 1988 [15 U.S.C. 636(j)(16)(A) & (B)] and section 7(j)(16) (A) requires the following:**

(A) The Administrator shall develop and implement a process for the systematic collection of data on the operations of the Program established pursuant to paragraph (10). (B) Not later than April 30 of each year, the Administrator shall submit a report to the Congress on the Program that shall include the following: (i) The average personal net worth of individuals who own and control concerns that were initially certified for participation in the Program during the immediately preceding fiscal year. The Administrator shall also indicate the dollar distribution of net worth, at \$50,000 increments, of all such individuals found to be socially and economically disadvantaged. For the first report required pursuant to this paragraph the Administrator shall also provide the data specified in the preceding sentence for all eligible individuals in the Program as of the effective date of this paragraph. (ii) A description and estimate of the benefits and costs that have accrued to the economy and the Government in the immediately preceding fiscal year due to the operations of those business concerns that were performing contracts awarded pursuant to section 8(a). (iii) A compilation and evaluation of those business concerns that have exited the Program during the immediately preceding three fiscal years. Such compilation and evaluation shall detail the number of concerns actively engaged in business operations, those that have ceased or substantially curtailed such operations, including the reasons for such actions, and those concerns that have been acquired by other firms or organizations owned and controlled by other than socially and economically disadvantaged individuals. For those businesses that have continued operations after they exited from the Program, the Administrator shall also separately detail the benefits and costs that have accrued to the economy during the immediately preceding fiscal year due to the operations of such concerns. (iv) A listing of all participants in the Program during the preceding fiscal year identifying, by State and by Region, for each firm: the name of the concern, the race or ethnicity, and gender of the disadvantaged owners, the dollar value of all contracts received in the preceding year, the dollar amount of advance payments received by each concern pursuant to contracts awarded under section 8(a), and a description including (if appropriate) an estimate of the dollar value of all benefits received pursuant to paragraphs (13) and (14) and section 7(a)(20) during such year. (v) The total dollar value of contracts and options awarded during the preceding fiscal year pursuant to section 8(a) and such amount expressed as a percentage of total sales of (I) all firms participating in the Program during such year; and (II) of firms in each of the nine years of program participation. (vi) A description of such additional resources or program authorities as may be required to provide the types of services needed over the next two-year period to service the expected portfolio of firms certified pursuant to section 8(a). (vii) The total dollar value of contracts and options awarded pursuant to section 8(a), at such dollar increments as the Administrator deems appropriate, for each four digit standard industrial classification code under which such contracts and options were classified. (C) The first report required by subparagraph (B) shall pertain to fiscal year 1990.

### **Ethnicity Abbreviations**

APA	Asian Pacific American
BA	Black American
CA	Caucasian American
HA	Hispanic American
NA	Native American
OA	Other American
SAA	Subcontinent Asian American
H	When used in conjunction with an ethnic abbreviation indicates the individual is handicapped.

### **Special Ownership Abbreviations**

When used with an ethnic designation these abbreviations indicate the 8(a) firm is owned by the following type of organization.

ANC	Owned by an Alaska Native Corporation
CDC	Owned by a Community Development Corporation
TO	Owned by an Tribal Organization

## EXECUTIVE SUMMARY

This report is provided annually to determine and quantify the extent to which the 8(a) Business Development Program has assisted in the development of firms owned and controlled by socially and economically disadvantaged individuals. The Act requires the Small Business Administration to analyze the accomplishments of businesses certified to participate in the 8(a) Business Development Program during the immediately preceding fiscal year and the status of the business concerns that completed their 8(a) Business Development Program term during the immediately preceding three fiscal years.

Fiscal year 2006 marked the 38<sup>th</sup> year of the SBA's 8(a) Business Development Program. During fiscal year 2006, a total of 9,667 businesses participated in the 8(a) Business Development Program. These firms made significant contributions to the Federal, state and local tax base and contributed an estimated 198,884 jobs to the Nation's economy. Between October 1, 2005, and September 30, 2006, a total of 907 new firms were certified to participate in the program.

Year-end financial statements submitted by the 9,667 firms participating in the program authorized by 15 U.S.C. 637(a) during fiscal year 2006 reported total revenues exceeding \$23.5 billion. Resulting revenue from the program authorized by 15 U.S.C. 637(a) was \$7.1 billion or 30.2 percent of all the firms' total revenue.

In order to assess the current business status of firms that graduated from the 8(a) Business Development Program in the past 3 years, SBA utilized Dun and Bradstreet data to provide the information on the firms that completed the nine year program. Of the 1,404 firms that completed their 8(a) Business Development Program term between October 1, 2005, and September 30, 2006; 1,021 were independently operational; 147 had substantially curtailed operations; 1 had been acquired by other firms owned and controlled by non-disadvantaged individuals; 132 had ceased business operations and there was no data available in Dun & Bradstreet for 103 firms to support the analysis.

The total annual revenue of firms that exited the 8(a) Business Development Program in the last 3 years and responded to the survey had reported earnings of more than \$7.5 billion dollars, and provided employment for approximately 56,602 persons.

In fiscal year 2006, there were 60,529 contracting actions resulting in \$10.4 billion dollars in revenue to 8(a) Participants.<sup>1</sup>

<sup>1</sup> Fiscal Year 2006 Federal Procurement Data System as of March 25, 2007.

## PROGRAM INITIATIVES

- 1. Mission:** The purpose of the 8(a) Business Development Program is to assist eligible small disadvantaged business concerns compete in the American economy through business development. (13 CFR 124.1) These small disadvantaged businesses are owned and controlled by socially and economically disadvantaged individuals, economically disadvantaged Indian tribes (including Alaska Native Corporations), economically disadvantaged Native Hawaiian Organizations and Community Development Corporations. The 8(a) Business Development Program fulfills this mission by providing a menu of business development resources, such as marketing, managerial, technical, and financial and procurement assistance.
- 2. Business Development:** The 8(a) Business Development Program promotes business development over a 9-year period. Each participant's progress is monitored and measured, and its developmental needs are identified through annual reviews of its business plan. Guidance is provided through the Service Corps of Retired Executives (SCORE), Small Business Development Centers (SBDC) and Women's Business Centers (WBC). In addition, through award of sole source and limited-competition contracts, the 8(a) Business Development Program provides a logical, systematic approach to market access and enterprise growth to small businesses owned and controlled by socially and economically disadvantaged individuals.
- 3. Management and Technical Assistance:** Under Section 7(j) of the Small Business Act, the SBA provides specialized training, professional consultant assistance, and high-level executive development to eligible firms. This authority allows the SBA to provide assistance to 8(a) Business Development Program participants as well as to other small disadvantaged businesses, low-income entrepreneurs, and small businesses in labor-surplus areas or areas with a high proportion of low-income individuals. However, 8(a) Business Development firms also receive assistance through SCORE, SBDCs and the United States Export Assistance Centers (USEAC), as well as the mentor-protégé, joint venture, surety bond guarantee, and loan programs.

## NET WORTH OF NEWLY CERTIFIED PROGRAM PARTICIPANTS

15 U.S.C. 636(j)(16)(B)(i)

*The average personal net worth of individuals who own and control concerns that were initially certified for participation in the Program during the immediately preceding fiscal year. The Administrator shall also indicate the dollar distribution of net worths, at \$50,000 increments, of all such individuals found to be socially and economically disadvantaged.*

- 1. Total Personal Net Worth:** The personal net worth, for program purposes, is the net value of the remaining assets of an individual, after total liabilities are deducted from their total assets. During fiscal year 2006, 1,239 individuals were initially certified to participate in the 8(a) Business Development Program. Table I presents data on the personal net worth of the 1,239 individuals who used their eligibility to qualify 907 firms (more than one individual may use his/her social and economic disadvantage status to qualify a single firm). In determining total personal net worth, the equity in the individual's primary residence and business is included. The average personal net worth of these individuals was \$149,617.

Individuals with a personal net worth ranging from less than zero dollars to \$50,000 constituted 41.3 percent of owners controlling firms that were certified; individuals with a personal net worth of \$50,001 to \$100,000 constituted 11.5 percent; and individuals with a personal net worth of \$100,001 to \$150,000 constituted 10.1 percent. For example; approximately, sixty three percent of the individuals owning and controlling firms that were certified had a personal net worth ranging from less than zero dollars to \$150,000. (See Table I)

- 2. Adjusted Personal Net Worth:** The adjusted personal net worth is defined as total personal net worth less the individual's equity in his or her primary residence and the individual's ownership interest in the applicant concern. Please note: the Small Business Act directs the SBA to use adjusted personal net worth, which excludes the net value of the personal residence and the business. For the purpose of determining whether an individual may be considered economically disadvantaged, the average adjusted personal net worth of the individuals owning and controlling the firms initially certified during fiscal year 2006 was \$52,400.

Individuals with an adjusted personal net worth ranging from less than zero dollars to \$50,000 constituted 59.89 percent of owners controlling firms that were certified; individuals with an adjusted personal net worth of \$50,001 to \$100,000 constituted 14.2 percent; and individuals with an adjusted personal net worth of \$100,001 to \$150,000 constituted 11.4 percent. For example; approximately, eighty six percent of the individuals owning and controlling firms that were certified had an adjusted personal net worth ranging from less than zero dollars to \$150,000. (See Table II)

**TABLE I**



## Total Personal Net Worth

(October 1, 2005 through September 30, 2006)

Individual Net Worth (unadjusted) expressed in \$50,000 increments

Dollar Range	Number in Range	Cumulative Total	Cumulative Percentage
(\$696,655) - (\$200,001)	3	3	0.24%
(\$200,000) - (\$150,001)	2	5	0.40%
(\$150,000) - (\$100,001)	2	7	0.56%
(\$100,000) - (\$50,001)	9	16	1.29%
(\$50,000) - (\$1)	26	42	3.39%
\$0 - \$0	313	355	28.65%
\$1 - \$50,000	157	512	41.32%
\$50,001 - \$100,000	143	655	52.87%
\$100,001 - \$150,000	125	780	62.95%
\$150,001 - \$200,000	123	903	72.88%
\$200,001 - \$250,000	103	1006	81.19%
\$250,001 - \$300,000	52	1058	85.39%
\$300,001 - \$350,000	38	1096	88.46%
\$350,001 - \$400,000	34	1130	91.20%
\$400,001 - \$450,000	23	1153	93.06%
\$450,001 - \$500,000	18	1171	94.51%
\$500,001 - \$550,000	13	1184	95.56%
\$550,001 - \$600,000	8	1192	96.21%
\$600,001 - \$650,000	6	1198	96.69%
\$650,001 - \$700,000	6	1204	97.18%
\$700,001 - \$750,000	5	1209	97.58%
\$750,001 - \$800,000	2	1211	97.74%
\$800,001 - \$850,000	1	1212	97.82%
\$850,001 - \$900,000	3	1215	98.06%
\$900,001 - \$950,000	1	1216	98.14%
\$950,001 - \$1,000,000	5	1221	98.55%
\$1,000,001 - \$1,050,000	2	1223	98.71%
\$1,050,001 - \$1,100,000	0	1223	98.71%
\$1,100,001 - \$1,150,000	0	1223	98.71%
\$1,150,001 - \$1,200,000	1	1224	98.79%
\$1,200,001 - \$1,250,000	3	1227	99.03%
\$1,250,001 - \$1,300,000	1	1228	99.11%
\$1,300,001 - \$1,350,000	2	1230	99.27%
\$1,350,001 - \$1,400,000	0	1230	99.27%
\$1,450,001 - \$1500,000	2	1232	99.44%
\$1,500,001 - \$1,550,000	0	1232	99.44%
\$1,550,000 - \$ 1,600,000	2	1234	99.60%
\$1,600,001 - \$1,650,000	0	1234	99.60%
\$1,650,001 - \$1,700,000	0	1234	99.60%

**TABLE I**  
**(Continued)**  
**Total Personal Net Worth**  
(October 1, 2005 through September 30, 2006)  
Individual Net Worth (unadjusted) expressed in \$50,000 increments

\$1,700,001 - \$1,750,000	2	1236	99.76%
\$1,750,001 - \$1,800,000	0	1236	99.76%
\$1,800,001 - \$1,850,000	1	1237	99.84%
\$1,850,001 - \$1,900,000	0	1237	99.84%
\$1,900,001 - \$1,950,000	0	1237	99.84%
\$2,050,001 - \$2,100,000	0	1237	99.84%
\$2,100,001 - \$2,150,000	1	1238	99.92%
\$2,150,001 - \$2,200,000	0	1238	99.92%
\$2,200,001 - \$2,550,000	1	1239	100.00%

Range of Personal Net Worth	(\$696,655) - \$2,343,941
Median Personal Net Worth	\$90,500
Average Personal Net Worth	\$149,617

Note: In Tables I and II where the number of applicants in the range is zero, no range is stated.

**TABLE II**  
**Total Adjusted Personal Net Worth**  
(October 1, 2005 through September 30, 2006)  
Individual Net Worth (adjusted) expressed in \$50,000 increments.

<b>Dollar Range</b>	<b>Number in Range</b>	<b>Cumulative Total</b>	<b>Cumulative Percentage</b>
(\$696,655) - (\$200,001)	9	9	0.73%
(\$200,000) - (\$150,001)	3	12	0.97%
(\$150,000) - (\$100,001)	7	19	1.53%
(\$100,000) - (\$50,001)	14	33	2.66%
(\$50,000) - (\$1)	87	120	9.69%
\$0 - \$0	309	429	34.62%
\$1 - \$50,000	313	742	59.89%
\$50,001 - \$100,000	176	918	74.09%
\$100,001 - \$150,000	141	1065	85.96%
\$150,001 - \$200,000	86	1151	92.90%
\$200,001 - \$250,000	88	1239	100.00%
Range of Personal Net Worth		(\$696,655) - \$249,000	
Median Personal Net Worth		\$29,000	
Average Personal Net Worth		\$52,400	

**Note: In Tables I and II where the number of applicants in the range is zero, no range is stated.**

## BENEFITS AND COSTS OF THE 8(a) PROGRAM TO THE ECONOMY

15 U.S.C. 636(j)(16)(B)(ii)

*A description and estimate of the benefits and costs that have accrued to the economy and the Government in the immediately preceding fiscal year due to the operations of those business concerns that were performing contracts awarded pursuant to section 8(a).*

During fiscal year 2006, a total of 9,667 concerns participated in the 8(a) Business Development Program. This figure includes all firms that entered and exited the program throughout the year. SBA's field offices reported that these firms provided employment for more than 198,884 people.

According to year-end financial statements submitted by participants in the program during the fiscal year ending September 30, 2006, total revenue exceeded \$23.5 billion. Total revenue for the program authorized by 15 U.S.C. 637(a) was approximately \$7.1 billion, or 30.2 percent, of firms' total revenue. The balance of revenue for program participants, 69.8 percent, was earned from non-program sources. This is consistent with the 8(a) program's intent to have participants rely on non-program sources of revenue in order to enhance post program viability.

### 1. Benefits to the Economy and the Government

In principal, the benefit to the economy represents the incremental gain to disadvantaged groups from employment and income supported by 8(a) business development contracts, as well as incremental gains in business sustainability. The following are areas in which 8(a) business development certified businesses are contributing to the gross domestic product, the Nation's tax base, employment, and the individual wealth and well-being of all Americans.

- a. **Long-term Business Development Efforts:** Since the inception of the 8(a) program (1968), there have been more than 835,679 8(a) contract awards, worth approximately \$117.3 billion. While these figures represent a very small percentage of total Federal procurement awards and dollars, they still signal significant success in including targeted businesses in the Federal market.
- b. **Employment:** The 9,667 8(a) business development firms provided employment for an estimated 198,884 people during fiscal year 2006, an average of 20.6 employees per company. The 8(a) Business Development Program is a source of employment in all states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands.

- c. **Firm Owners:** Program participants are involved in all areas of community development and volunteer work. Many contribute time and resources to improve their schools and neighborhoods, and provide jobs and educational opportunities for minority and disadvantaged youth. In the selection of program participants for annual national awards, much emphasis is placed on community involvement
- d. **Diversity and ethnicity of firms assisted:** America is a Nation composed of ethnically diverse individuals. Historically, many disadvantaged businesses are owned by individuals who have not had access to mainstream business opportunities and have little or no access capital and credit. The 8(a) Program provides certified firms with opportunities to improve their ability to successfully compete in the Nation's marketplace.

### 3. Costs to the Government

The SBA's Office of Business Development (BD), located in the Office of Government Contracting and Business Development, is responsible for the administration of the Business Development Program. The following is a summary of the administrative, financial assistance, and management and technical assistance costs of the 8(a) Business Development program during fiscal year 2006:

#### a. **Program Administrative Costs** \$ 29,581,967

SBA program administrative costs consist of personnel, travel, supplies, training and similar expenses. In fiscal year 2006, the 8(a) Business Development Program had actual costs of \$ 29,581,967, including \$ 3,448,433 attributable to Headquarters, and \$26,133,534 attributable to Field Operations (district offices). A total of 105 full time equivalent (FTE) positions worked in the program in fiscal year 2006; including 12 FTE's in Headquarters and 93 FTE's in District Offices.

#### b. **Management and Technical Assistance** \$ 2,289,000

Section 7(j) mandates that the SBA obtain and maintain a qualified cadre of individuals and organizations to provide assistance to socially and economically disadvantaged individuals. For fiscal year 2006, Section 7(j) assistance had actual costs of \$2,289,000.

**c. Advance Payments**

**\$ 0**

Advance payments are non-interest bearing loans made by the SBA to an Business Development Program participant in connection with the performance of a specific 8(a) Business Development contract to assist the firm in meeting the financial requirements of performing the contract. Since the Federal Credit Reform Act of 1990 (effective October 1, 1992), there have not been any advance payments processed or made by the SBA on 8(a) business development contracts. In 1998, SBA eliminated the authority to approve advance payments for 8(a) contractors from the 8(a) Program Development program regulations (13 C.F.R. 124). There have been no new appropriations for this program for the past several years. Consequently, no advance payments have been appropriated for the current fiscal year. However, each procuring agency's contracting officers have authority to provide advance payments on individual contracts to 8(a) Business Development firms using their individual agency's funds.

## EVALUATION OF FIRMS THAT EXITED THE 8(a) PROGRAM

15 U.S.C. 636(j)(16)(B)(iii)

*A compilation and evaluation of those business concerns that have exited the Program during the immediately preceding three fiscal years. Such compilation and evaluation shall detail the number of concerns actively engaged in business operations, those that have ceased or substantially curtailed such operations, including the reasons for such actions, and those concerns that have been acquired by other firms or organizations owned and controlled by other than socially and economically disadvantaged individuals. For those businesses that have continued operations after they exited from the Program, the Administrator shall also separately detail the benefits and costs that have accrued to the economy during the immediately preceding fiscal year due to the operations of such concern.*

The SBA utilized data provided by Dun & Bradstreet to analyze the 1,404 firms that completed their 8(a) Business Development Program term between October 1, 2003, and September 30, 2006. Of the 1,301 firms for which data was available, 1,021 were independently operational, 147 had substantially curtailed operations, 1 had been acquired by other firms owned and controlled by non-disadvantaged individuals, and 132 had ceased business operations. Data was not available for 103 firms. (See Table III). The total annual revenue of all exited firms reporting was approximately \$7.5 billion. Firms exiting over the immediately preceding 3 fiscal years provided employment for approximately 56,602 persons.

During fiscal year 2006, 318 firms were terminated from participation in the 8(a) Business Development Program. There are numerous reasons for termination; however, most were terminated due to their failure to comply with basic program reporting requirements. These actions ensured that only firms eligible for the program received program benefits. In addition, companies that cease operations and fail to withdraw voluntarily were terminated. During fiscal year 2006, 95 firms elected to withdraw voluntarily from 8(a) Business Development Program participation.

The reasons that caused former 8(a) businesses to cease operations, like the reasons that cause any category of business to cease operations, are numerous. The reasons may include: economic conditions; retirement, illness or death of the owner; reduced Federal contracting opportunities; a decision to sell the business or start a new business venture; or the pursuit of other professional interests. According to a new study provided by the U.S. Department of Labor, Bureau of Labor Statistics stated that two-thirds of new employer establishments survive at least two years, and 44 percent survive at least four years. However, after 4 years, the survival rate is decreasing at a slower pace.<sup>2</sup>

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<sup>2</sup> “Characteristics of Survival: Longevity of Business Establishments in the Business Employment Dynamics Data: Extensions” by Amy E. Knaup and Merissa C. Piazza; Bureau of Labor Statistics, December 2006.

Please note that the statutory language cited above requests detailed information for firms that have existed for each of the three preceding fiscal years. To determine whether of firm had substantially curtailed business operations, SBA based this data on the number of employees at the time of program completion and compared that number to the current number of employees. If there was a significant decrease greater than fifty percent, it was determined that the firm may have decreased business operations.

**TABLE III**  
**Status of 8(a) Business Development Participants That Completed Their Program Term**  
(October 1, 2003 through September 30, 2006)

Status of Exited Participants	FY 2004	FY 2005	FY 2006	Totals
Terminated From Program	148	130	318	596
Voluntarily Withdrew From Program	75	98	95	268
Early Graduation (Participated Less Than 9 Years)	11	18	12	41
Graduated	0	0	0	0
<b>Totals</b>	<b>234</b>	<b>246</b>	<b>425</b>	<b>905</b>

Status of Participants Completing Term	FY 2004	FY 2005	FY 2006	Totals	Percent
Completed 9 Year Program Term <sup>3</sup>	622	414	368	1404	
Dun & Bradstreet Data Available	583	384	334	1301	
Independently Operational	466	273	282	1021	78.5%
Substantially Curtailed Operations	47	69	31	147	2.60%
Ceased Business Operations	69	42	21	132	12.90%
Acquired By Other Firm	1	0	0	1	.01%
Dun & Bradstreet Data Not Available	39	30	34	103	100.0%

<sup>3</sup> Adjustments for firms that completed the program while in the termination process.



## COMPILATION OF FISCAL YEAR 2004 PROGRAM PARTICIPANTS

15 U.S.C. 636(j) (16) (B) (iv)

*A listing of all participants in the Program during the preceding fiscal year identifying, by State and by Region, for each firm: the name of the concern, the race or ethnicity, and gender of the disadvantaged owners, the dollar value of all contracts received in the preceding year, the dollar amount of advance payments received by each concern pursuant to contracts awarded under section 637(a) of this title, and a description including (if appropriate) an estimate of the dollar value of all benefits received pursuant to paragraphs (13) and (14) and section 7(a) (20) during such year.*

The ethnic heritage of the owners of the 9,667 firms participating in the 8(a) Business Development Program during fiscal year 2006 is as follows: Black American - 3,471 (35.91 percent); Hispanic American - 2,277 (23.55 percent); Asian Pacific American - 1,077 (11.14 percent); Subcontinent Asian American - 1,009 (10.44 percent); Native American - 700 (7.24 percent); Native Hawaiian American - 45 (0.47 percent); Caucasian American - 424 (4.38 percent) and Other American - 664 (6.87 percent). Men own 68.24 percent of the firms, and 31.76 percent are owned by women. (See Tables IV, V, and VI)

Table VI provides ethnic totals of firms participating in the 8(a) program by state and region during fiscal year 2006. States with the largest number of 8(a) certified firms were Maryland (1,120), California (1,056), Virginia (1,004), Texas (743), and Florida (570).

**TABLE IV**  
**Ethnic Heritage of 8(a) Business Development Participants**  
(October 1, 2005 through September 30, 2006)

<b>Ethnicity</b>	<b>Gender</b>	<b>Number of Participants</b>	<b>Percent of Total</b>
<b>Asian Pacific Americans</b>	Female	327	3.38%
	Male	750	7.76%
<b>Total</b>		<b>1,077</b>	<b>11.14%</b>
<b>Black Americans</b>	Female	1,016	10.51%
	Male	2,455	25.40%
<b>Total</b>		<b>3,471</b>	<b>35.91%</b>
<b>Caucasian Americans</b>	Female	383	3.96%
	Male	41	0.42%
<b>Total</b>		<b>424</b>	<b>4.38%</b>
<b>Hispanic Americans</b>	Female	635	6.57%
	Male	1,642	16.99%
<b>Total</b>		<b>2,277</b>	<b>23.55%</b>
<b>Native Americans</b>	Female	176	1.82%
	Male	524	5.42%
<b>Total</b>		<b>700</b>	<b>7.24%</b>
<b>Native Hawaiian Americans</b>	Female	12	0.12%
	Male	33	0.34%
<b>Total</b>		<b>45</b>	<b>0.47%</b>
<b>Other Americans</b>	Female	290	3.00%
	Male	374	3.87%
<b>Total</b>		<b>664</b>	<b>6.87%</b>
<b>Subcontinent Asian Americans</b>	Female	231	2.39%
	Male	778	8.05%
<b>Total</b>		<b>1009</b>	<b>10.44%</b>
<b>Total All Participants</b>		<b>9667</b>	<b>100%</b>

**TABLE V**  
**Gender of 8(a) Business Development Participants**  
(October 1, 2005 through September 30, 2006)

<b>Businesses Owned by Females</b>	3,070	31.76%
<b>Businesses Owned by Males</b>	6,597	68.24%
<b>Total Businesses</b>	<b>9,667</b>	<b>100.0%</b>

TABLE VI

**Ethnicity and Gender by Region and State**

(October 1, 2005 through September 30, 2006)

Region / State	Asian Pacific		Black		Caucasian		Hispanic		Native		Native Hawaiian		Other		Subcontinent Asian		Grand Totals
	Americans		Americans		Americans		Americans		Americans		Americans		Americans		Americans		
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	
Region I																	
Connecticut	0	1	3	7	2	0	1	4	0	0	0	0	2	0	1	6	27
Maine	0	0	0	1	0	1	0	0	0	1	0	0	1	0	0	1	5
Massachusetts	5	6	4	19	5	1	5	8	0	0	1	0	3	2	2	15	76
New Hampshire	1	2	1	0	0	0	0	0	0	0	0	0	1	0	0	1	6
Rhode Island	0	0	1	1	0	0	0	3	0	0	0	0	0	0	0	0	5
Region I Totals	6	9	9	28	7	2	6	15	0	1	1	0	7	2	3	23	119
Region II																	
New Jersey	10	11	25		5	2	21	36	1	2	0	0	7	4	28	48	247
New York	12	17	42	96	51	9	16	40	0	3	0	1	13	3	12	51	366
Puerto Rico	0	0	0	0	0	0	26	142	0	0	0	0	1	2	0	0	171
Virgin Islands	0	0	4	7	0	0	0	1	0	0	0	0	0	0	0	0	12
Region II Totals	22	28	71	150	56	11	63	219	1	5	0	1	21	9	40	99	796
Region III																	
Delaware	1	0	4	5	2	0	1	1	0	0	0	0	1	2	1	4	22
District of Columbia	4	7	47	119	2	0	11	17	2	1	1	0	7	3	2	18	241
Maryland	35	81	198	399	9	1	47	80	5	18	0	1	57	29	38	122	1120
Pennsylvania	3	6	28	66	5	0	6	17	3	0	1	0	15	7	5	24	186
Virginia	65	112	115	229	10	0	52	106	13	18	1	1	37	42	62	141	1004
West Virginia	0	1	1	6	1	0	0	1	2	0	0	0	2	2	1	5	22
Region III Totals	108	207	393	824	29	1	117	222	25	37	3	2	119	85	109	314	2595
Region IV																	
Alabama	6	7	21	50	11	0	6	13	20	31	0	0	2	2	3	6	178
Florida	13	25	40	123	36	0	68	181	5	11	0	1	20	9	7	31	570
Georgia	10	8	88	186	14	0	11	21	3	9	0	0	3	10	9	26	398
Kentucky	1	2	3	18	1	0	1	5		4	0	0	1	1	0	3	40
Mississippi	2	2	16	46	7	2	3	2	1	3	0	0	2	3		1	90
North Carolina	0	1	19	43	7	2	8	8	2	10	0	0	4	3	2	4	113
South Carolina	1	5	9	36	4	0	3	0	2	6	0	0	2	2	0	2	72
Tennessee	2	1	16	52	8	1	3	8	1	8	0	0	1	1	1	6	109
Region IV Totals	35	51	212	554	88	5	103	238	34	82	0	1	35	31	22	79	1570

**TABLE VI (continued)**

**Ethnicity and Gender by Region and State**

(October 1, 2005 through September 30, 2006)

Region / State	Asian Pacific		Black		Caucasian		Hispanic		Native		Native Hawaiian		Other		Subcontinent Asian		Grand Totals
	Americans		Americans		Americans		Americans		Americans		Americans		Americans		Americans		
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	
Region V																	
Illinois	3	15	43	77	7	1	13	29	1	6	1	0	3	1	4	30	234
Indiana	1	5	8	42	2	0	1	5	1	2	0	0	1	1	2	4	75
Michigan	0	6	17	52	2	2	8	10	2	5	0	1	1	4	3	18	131
Minnesota	0	8	3	13	5	0	1	3	4	16	0	0	0	1	1	4	59
Ohio	4	5	23	89	1	2	4	12	4	5	0	0	7	3	7	28	194
Wisconsin	4	1	5	11	7	0	5	11	5	8	0	0	1	0	1	5	64
Region V Totals	12	40	99	284	24	5	32	70	17	42	1	1	13	10	18	89	757
Region VI																	
Arkansas	2	1	5	24	2	0	3	1	3	3	0	0	2	2	0	0	48
Louisiana	0	5	29	75	5	1	7	18	3	7	0	0	2	3	0	6	161
New Mexico	3	4	0	6	4	0	29	82	10	31	0	0	4	2	1	2	178
Oklahoma	0	4	5	20	3	1	4	7	19	62	1	2	3	10	1	2	144
Texas	13	19	56	140	23	1	92	276	9	36	0	2	19	10	10	37	743
Region VI Totals	18	33	95	265	37	3	135	384	44	139	1	4	30	27	12	47	1274
Region VII																	
Iowa	1	1	2	6	0	0	2	1	0	0	1	0	3	1	0	2	20
Kansas	6	5	5	17	3	0	1	4	3	6	0	0	1	4	2	4	61
Missouri	3	3	22	41	5	0	2	11	2	11	0	0	2	3	0	2	107
Nebraska	1	0	3	6	3	0	0	2	0	4	0	0	0	3	0	2	24
Region VII Totals	11	9	32	70	11	0	5	18	5	21	1	0	6	11	2	10	212
Region VIII																	
Colorado	6	18	17	31	20	1	22	66	5	12	0	0	18	8	2	9	235
Montana	0	1	0	3	2	0	0	4	4	13	0	0	1	4	0	0	32
North Dakota	0	0	0	1	3	0	0	0	4	25	0	0	0	1	0	0	34
South Dakota	0	0	0	0	2	1	2	4	2	14	0	0	1	2	0	0	28
Utah	2	15	1	4	6	0	5	13	1	10	0	2	7	2	0	1	69
Wyoming	0	0	0	0	2	0	1	3	3	2	0	0	0	1	0	0	12
Region VIII Totals	8	34	18	39	35	2	30	90	19	76	0	2	27	18	2	10	410

**TABLE VI (continued)**

**Ethnicity and Gender by Region and State**

(October 1, 2005 through September 30, 2006)

Region / State	Asian Pacific		Black		Caucasian		Hispanic		Native		Native Hawaiian		Other		Subcontinent Asian		Grand Totals
	Americans		Americans		Americans		Americans		Americans		Americans		Americans		Americans		
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	
Region IX																	
Arizona	4	3	6	19	12	0	12	41	6	8	0	0	2	8	1	7	129
California	61	162	68	158	50	11	104	252	9	30	0	2	21	17	21	90	1056
Guam	10	31	0	0	0	0	0	1	0	0	0	0	0	1	0	2	45
Hawaii	19	108	2	3	2	0	4	13	1	1	5	18	3	11	1	4	195
Nevada	3	3	3	11	10	0	2	15	0	2	0	0	0	0	0	1	50
Region IX Totals	97	307	79	191	74	11	122	322	16	41	5	20	26	37	23	104	1475
Region X																	
Alaska	1	10	0	11	9	0	5	6	8	28	0	1	0	138	0	0	217
Idaho	0	0	0	1	2	1	5	12	1	9	0	0	3	1	0	0	35
Oregon	2	3	2	7	2	0	4	22	3	5	0	0	1	3	0	0	54
Washington	7	19	6	31	9	0	8	24	3	38	0	1	2	2	0	3	153
Region X Totals	10	32	8	50	22	1	22	64	15	80	0	2	6	144	0	3	459
National Totals	327	750	1016	2455	383	41	635	1642	176	524	12	33	290	374	231	778	9667

## TOTAL VALUE OF CONTRACTS AND OPTIONS AWARDED DURING FISCAL YEAR 2006

15 U.S.C. 636(j)(16)(B)(v)

*The total dollar value of contracts and options awarded during the preceding fiscal year pursuant to section 637(a) of this title and such amount expressed as a percentage of total sales of (I) all firms participating in the Program during such year, and (II) of firms in each of the nine years of program participation.*

In fiscal year 2006, current 8(a) Participants reported total revenue of \$23.5 billion. Active participants derived 30.2 percent of their total revenue from 8(a) contracts. It should be noted that the full contract or modification estimated award amounts might not be received during the fiscal year in which they are awarded. Also, the total estimated amount might not be achieved at all. Therefore, the firms' revenue figures may not reflect the total contract and modification award amounts. (See Table VII for contract and modification dollars expressed as a percentage of firms' total revenue in each of the nine years of program participation.)

**Table VII**

### **Contract and Modification Dollars Expressed as a Percentage of Firms' Total Revenue In Each of the Nine Years of Program Participation**

<b>Program Year</b>	<b>Number of Employees</b>	<b>8(a) Revenue</b>	<b>Total Revenue</b>	<b>8(a) as Percent of Total Revenue</b>
1	19,885	875,522,435	2,548,281,635	34.36%
2	12,824	941,844,024	2,151,762,042	43.77%
3	22,620	1,070,375,071	3,377,234,478	31.69%
4	23,472	1,030,869,479	2,844,028,869	36.25%
5	31,143	1,032,587,298	3,125,655,258	33.04%
6	25,640	635,816,076	2,654,686,688	23.95%
7	22,295	972,020,404	2,964,980,873	32.78%
8	18,885	384,490,156	2,019,664,661	19.04%
9	22,120	165,063,911	1,819,687,808	9.07%
<b>Totals</b>	<b>198,884</b>	<b>7,108,588,854</b>	<b>23,505,982,312</b>	<b>30.24%</b>

## **REQUESTED RESOURCES AND PROGRAM AUTHORITIES**

15 U.S.C. 636(j)(16)(B)(vi)

*A description of such additional resources or program authorities as may be required to provide the types of services needed over the next two-year period to service the expected portfolio of firms certified pursuant to section 637(a) of this title.*

At this time, no additional resources or program changes are being requested.

## VALUE OF CONTRACTS AND MODIFICATIONS BY SIC CODE

15 U.S.C. 636(j)(16)(B)(vii)

*The total dollar value of contracts and options awarded pursuant to section 637(a) of this title, at such dollar increments as the Administrator deems appropriate, for each four digit standard industrial classification code under which such contracts and options are classified.*

**Note: This table represents fiscal year 2006 procurement information available from the Federal Procurement Data System (FPDS) as of March 25, 2007.**

<b>Industries Receiving the Largest Dollar Amounts</b>			
<b>(October 1, 2005 through September 30, 2006)</b>			
<b>NAICS Code</b>	<b>NAICS Description</b>	<b>Number of Actions</b>	<b>Dollar Value of Actions</b>
<b>236220</b>	<b>COMMERCIAL AND INSTITUTIONAL BUILDING CONSTRUCTION</b>	<b>4,756</b>	<b>\$1,124,516,190</b>
<b>561210</b>	<b>FACILITIES SUPPORT SERVICES</b>	<b>1,623</b>	<b>380,422,757</b>
<b>541519</b>	<b>OTHER COMPUTER RELATED SERVICES</b>	<b>1,193</b>	<b>224,326,762</b>
<b>541330</b>	<b>ENGINEERING SERVICES</b>	<b>1,168</b>	<b>187,462,769</b>
<b>541611</b>	<b>ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES</b>	<b>1,045</b>	<b>212,851,886</b>
<b>238990</b>	<b>ALL OTHER SPECIALTY TRADE CONTRACTORS</b>	<b>1,000</b>	<b>130,684,544</b>
<b>561720</b>	<b>JANITORIAL SERVICES</b>	<b>985</b>	<b>92,337,934</b>
<b>236210</b>	<b>INDUSTRIAL BUILDING CONSTRUCTION</b>	<b>833</b>	<b>266,141,876</b>
<b>541512</b>	<b>COMPUTER SYSTEMS DESIGN SERVICES</b>	<b>781</b>	<b>179,875,269</b>
<b>423430</b>	<b>COMPUTER AND COMPUTER PERIPHERAL EQUIPMENT AND SOFTWARE MERCHANT WHOLESALERS</b>	<b>758</b>	<b>91,499,246</b>
<b>237990</b>	<b>OTHER HEAVY AND CIVIL ENGINEERING CONSTRUCTION</b>	<b>747</b>	<b>250,961,181</b>
<b>541511</b>	<b>CUSTOM COMPUTER PROGRAMMING SERVICES</b>	<b>734</b>	<b>138,467,513</b>
<b>541710</b>	<b>RESEARCH AND DEVELOPMENT IN THE PHYSICAL, ENGINEERING, AND LIFE SCIENCES</b>	<b>728</b>	<b>221,711,173</b>
<b>238220</b>	<b>PLUMBING, HEATING, AND AIR-CONDITIONING CONTRACTORS</b>	<b>725</b>	<b>115,392,873</b>
<b>562910</b>	<b>REMEDIATION SERVICES</b>	<b>634</b>	<b>91,949,608</b>



# **APPENDIX- A**

## **APPENDIX – B**

# **APPENDIX - C**